

MARK D. WALDRON
Chapter 11 Trustee
6711 Regents Blvd. W., Suite B
Tacoma, WA 98466
Telephone: (253) 565-5800

The Honorable Frederick P. Corbit
Chapter 11

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF WASHINGTON

In Re:)	
)	Case No. 18-03197-FPC11
GIGA WATT INC.)	
)	CHAPTER 11 TRUSTEE'S MONTHLY
Debtor.)	FINANCIAL REPORT FOR
)	DECEMBER 2019

COMES NOW Mark D. Waldron, the Court-appointed and acting Chapter 11 Trustee in the above proceeding, and files this Monthly Financial Report for the month of December 2019. Attached to this report are the Ledger Report (Exhibit 1), Operating Statement (Exhibit 2), and bank statement for December 2019 (Exhibit 3), incorporated herein by reference. Also attached is a detailed narrative report from Court-appointed consultant Douglas Pratt regarding Giga Watt's mining operations for December 2019 (Exhibit 4), incorporated herein by reference.

1. Moses Lake Facility. The Estate continues to operate the Moses Lake facility. Mining revenues for December 2019 at Moses Lake were \$183,134.33, with an



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1 additional \$27,578.70 of revenue from subtenant Eco Diversified Holdings for its
2 December 2019 rent (\$9,000.00) and proportional obligation for the November 2019
3 utilities (\$18,578.70). Utility payments are current at the Moses Lake facility. With regard
4 to rent, the Estate paid \$25,000.00 of the \$61,000.00 rent due. As a result of cash flow
5 shortage due to a drop in the price of bitcoin, the Trustee is working with the landlord at the
6 Moses Lake facility on rent deferrals while the Trustee is actively discussing sale of both
7 the Moses Lake and TNT facilities with potential buyers and interested parties.

8 2. TNT Facility. The Estate continues to operate the TNT facility in East
9 Wenatchee. Mining revenues at TNT for December 2019 were \$69,447.07. Pursuant to
10 the Court-approved Super-Priority Unsecured Credit Agreement, the Estate is current on
11 the payments due the DIP lender. In addition, the rent and utility payments are current at
12 the TNT facility.

13 3. The Court-appointed CPA continues to prepare Debtor's required monthly
14 tax reports, specifically the Department of Revenue reporting, and the Estate continues to
15 pay the corresponding B&O taxes due. At month end, the Debtor was not delinquent on
16 any post-petition tax obligations.

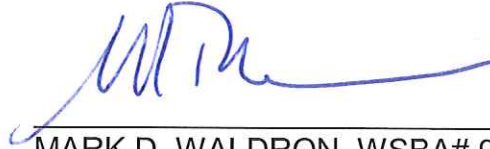
17 4. For purposes of calculating the Debtor's obligations under 28 USC 1930(a)(6)
18 to pay a quarterly fee to the United States Trustee, **TOTAL DISBURSEMENTS** for the
19 month of December 2019 were **\$380,512.18**. The Trustee continues to file Monthly
20 Financial Reports and pay the quarterly U.S. Trustee fees pursuant to the current rate
21 schedule. Fourth Quarter 2019 U.S. Trustee fees in the amount of \$4,875.00 were paid
22 on January 2, 2020. All U.S. Trustee fee payments and all Monthly Financial Reports are
23 current.



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1 I certify under penalty of perjury that the information contained in this Monthly
2 Financial Report is complete, true, and accurate to the best of my knowledge, information
3 and belief.

4 **DATED** this 10th day of January, 2020.

5
6 

7 MARK D. WALDRON, WSBA# 9578
8 Chapter 11 Trustee for the Estate of
9 Giga Watt Inc.



Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 12/01/19 - 12/31/19

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Metropolitan Commercial Bank
Account: *****25 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
12/02/19	311	Insta Stor Inc.	Invoice #3245 (storage container rental through December 2019)	6004-000		134.88	174,981.50
12/02/19	312	Allen Oh	Invoices #37 and #38 (Moses Lake, through 11/28/19) Voided on 12/02/19	6007-013		4,828.92	170,152.58
12/02/19	312	Allen Oh	Invoices #37 and #38 (Moses Lake, through 11/28/19) Voided: check issued on 12/02/19	6007-013		-4,828.92	174,981.50
12/02/19	313	David Knowles	Invoice dated 12/1/19 (TNT, through 11/30/19)	6007-013		2,156.00	172,825.50
12/02/19	314	David Knowles	Reimbursement of costs advanced (TNT, Invoice dated 12/1/19)	6007-014		108.33	172,717.17
12/02/19	315	Lauren Mliehe	Invoice dated 12/1/19 (TNT, through 12/1/19)	6007-013		5,700.00	167,017.17
12/02/19	316	Skyler Simpson	Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	6007-013		1,862.50	165,154.67
12/02/19	317	Austin Harrison	Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	6007-013		2,400.00	162,754.67
12/02/19	318	Porfirio Jaimes	Invoice dated 12/1/19 (Moses Lake, through 11/30/19) Voided on 12/02/19	6007-013		1,470.75	161,283.92
12/02/19	318	Porfirio Jaimes	Invoice dated 12/1/19 (Moses Lake, through 11/30/19) Voided: check issued on 12/02/19	6007-013		-1,470.75	162,754.67
12/02/19	319	Porfirio Jaimes	Reimbursement for cost advance (Moses Lake, Invoice dated 12/1/19) Voided on 12/02/19	6007-014		149.04	162,605.63
12/02/19	319	Porfirio Jaimes	Reimbursement for cost advance (Moses Lake, Invoice dated 12/1/19) Voided: check issued on 12/02/19	6007-014		-149.04	162,754.67
Subtotals :					\$0.00	\$12,361.71	

{ Asset reference(s) }

Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 12/01/19 - 12/31/19

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Metropolitan Commercial Bank
Account: *****25 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
12/02/19	320	Cuttin Rugs LLC	Invoices #37 and #38 (Moses Lake, through 11/28/19)	6007-013		4,828.92	157,925.75
12/02/19	321	Douglas County PUD	Account No. 735917, utilities for TNT facility	6010-000		42,035.00	115,890.75
12/02/19	322	Porfirio Jaimes	Invoice dated 12/1/19 (Moses Lake, through 11/30/19)	6007-013		1,147.00	114,743.75
12/02/19	323	Porfirio Jaimes	Invoice dated 12/1/19 (TNT, through 11/30/19)	6007-013		323.75	114,420.00
12/02/19	324	Porfirio Jaimes	Reimbursement for cost advanced (TNT, Invoice dated 12/1/19)	6007-014		149.04	114,270.96
12/02/19		MLDC I, LLC	Remaining balance due for rent and utilities for November 2019 (Moses Lake facility)	6003-000		58,513.86	55,757.10
12/02/19		Randy Michelson	Loan payment per Super-Priority Unsecured Credit Agreement (TNT)	6004-000		25,000.00	30,757.10
12/03/19		Eco Diversified Holdings	December 2019 rent for Pod 8 of Parcel E pods, Moses Lake facility	4002-00	9,000.00		39,757.10
12/04/19	325	Waste Management of Wenatchee	Customer ID #19-19019-33003, Invoice #1842923-2674-3	6010-000		124.28	39,632.82
12/05/19		Moses Lake (\$46,777.14) and TNT (\$17,403.48) facilities	Mining operations	4001-000	64,180.62		103,813.44
12/05/19	326	LocalTel	Acct. #61297, Statement dated 11/30/19 (TNT facility)	6010-000		110.85	103,702.59
12/09/19		MLDC I, LLC	100% of Moses Lake revenue (through 12-5-19)	6003-000		46,777.14	56,925.45
12/12/19		Moses Lake (\$47,571.32) and TNT (\$17,594.10) facilities	Mining operations	4001-000	65,165.42		122,090.87
12/13/19	327	Stretto	Invoice #3223	6007-000		1,208.00	120,882.87
12/13/19		MLDC I, LLC	77% of Moses Lake revenue (through 12-12-19)	6003-000		36,629.92	84,252.95
Subtotals :					\$138,346.04	\$216,847.76	

{ Asset reference(s)

Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 12/01/19 - 12/31/19

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Metropolitan Commercial Bank
Account: *****25 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
12/16/19		Eco Diversified Holdings	Utilities for November 2019, Pod 8 of Parcel E pods, Moses Lake facility	4099-000	18,578.70		102,831.65
12/16/19	328	Cuttin Rugs LLC	Invoices #39 and #40 (Moses Lake, through 12/13/19)	6007-013		6,600.00	96,231.65
12/16/19	329	Skyler Simpson	Invoice dated 12-15-19 (Moses Lake, through 12-6-19)	6007-013		1,050.00	95,181.65
12/16/19	330	Austin Harrison	Invoice dated 12-15-19 (Moses Lake, through 12-13-19)	6007-013		2,400.00	92,781.65
12/16/19	331	Porfirio Jaimes	Invoice dated 12-15-19 (Moses Lake, through 12-15-19)	6007-013		1,480.00	91,301.65
12/16/19	332	David Knowles	Invoice dated 12-15-19 (TNT, through 12-12-19)	6007-013		2,044.00	89,257.65
12/16/19	333	Lauren Mieh	Invoice dated 12-15-19 (TNT, through 12-13-19)	6007-013		5,925.00	83,332.65
12/16/19	334	Lauren Mieh	Invoice dated 12-15-19 (TNT, reimbursement for costs)	6007-014		171.17	83,161.48
12/16/19	335	TNT Business Complexes, LLC	Reimbursement for After Hours Plumbing & Heating (Invoice #62100)	6010-000		190.68	82,970.80
12/17/19	336	TNT Business Complexes, LLC	Lease payment for January 2020 (TNT facility)	6003-000		11,600.00	71,370.80
12/19/19		Moses Lake (\$45,095.85) and TNT (\$16,932.44) facilities	Mining operations	4001-000	62,028.29		133,399.09
12/20/19		MLDC I, LLC	77% of Moses Lake revenue (through 12-19-19)	6003-000		34,723.80	98,675.29
12/26/19		Moses Lake (\$43,690.02) and TNT (\$17,517.05) facilities	Mining operations	4001-000	61,207.07		159,882.36
12/26/19		MLDC I, LLC	Remaining balance due for utilities	6003-000		36,724.59	123,157.77
12/27/19		Washington State Department of	604-067-749, Giga Watt, Inc., B&O taxes due	6006-002		4,482.50	118,675.27
Subtotals :					\$141,814.06	\$107,391.74	

{ Asset reference(s) }

Ledger Report

Case Number: 18-03197-FPC11 FPC
Case Name: GIGA WATT INC.
Taxpayer ID #: 81-4797010
Period: 12/01/19 - 12/31/19

Trustee: Mr. Mark D. Waldron (670070)
Bank Name: Metropolitan Commercial Bank
Account: *****25 - Checking Account
Blanket Bond: \$0.00 (per case limit)
Separate Bond: N/A

Trans. Date	{Ref #} / Check #	Paid To / Received From	Description of Transaction	Ledger Code	Receipts \$	Disbursements \$	Checking Account Balance
		Revenue	for November 2019				
12/30/19	337	Cuttin Rugs LLC	Invoices No. 41 and 42 (through 12-29-19)	6007-013		6,000.00	112,675.27
12/30/19	338	Lauren Miehe	Invoice dated 12-29-19 (through 12-28-19) (TNT)	6007-013		4,875.00	107,800.27
12/30/19	339	Lauren Miehe	Reimbursement for costs (locksmith services at TNT)	6007-014		112.47	107,687.80
12/30/19	340	David Knowles	Invoice dated 12-29-19 (through 12-28-19) (TNT)	6007-013		2,240.00	105,447.80
12/30/19	341	Austin Harrison	Invoice dated 12-29-19 (through 12-27-19)	6007-013		2,160.00	103,287.80
12/30/19	342	Skyler Simpson	Invoice dated 12-29-19 (through 12-28-19)	6007-013		2,025.00	101,262.80
12/30/19	343	Porfirio Jaimes	Invoice dated 12-29-19 (through 12-27-19)	6007-013		1,498.50	99,764.30
12/31/19		MLDC I, LLC	Partial payment of December 2019 rent	6003-000		25,000.00	74,764.30
ACCOUNT TOTALS					3,466,639.73	3,391,875.43	\$74,764.30

TOTAL - ACCOUNT *****25

Balance Forward	175,116.38				
2 Deposits	27,578.70	33 Checks		112,660.37	
0 Interest Postings	0.00	8 Adjustments Out		267,851.81	
		0 Transfers Out		0.00	
Subtotal	\$202,695.08	Total		\$380,512.18	
4 Adjustments In	252,581.40				
0 Transfers In	0.00				
Total	\$455,276.48				

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GIGA WATT INC. (18-03197-FPC11)

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Operating Statement

Period: 12/01/19 - 12/31/19

Income

4001-000 Revenue from Operating Business					
4001-000 Revenue from Operating Business					
12/05/19	Dep. Adj.: 86	3910019625	Moses Lake (\$46,777.14) and TNT (\$17,403.48) facilities		\$64,180.62
			Mining operations		
12/12/19	Dep. Adj.: 88	3910019625	Moses Lake (\$47,571.32) and TNT (\$17,594.10) facilities		\$65,165.42
			Mining operations		
12/19/19	Dep. Adj.: 90	3910019625	Moses Lake (\$45,095.85) and TNT (\$16,932.44) facilities		\$62,028.29
			Mining operations		
12/26/19	Dep. Adj.: 93	3910019625	Moses Lake (\$43,690.02) and TNT (\$17,517.05) facilities		\$61,207.07
			Mining operations		
					<u>\$252,581.40</u>
4002-00 Rents					
4002-00 Rents					
12/03/19	Deposit: 100019-1	3910019625	Eco Diversified Holdings		\$9,000.00
			December 2019 rent for Pod 8 of Parcel E pods, Moses Lake facility		
					<u>\$9,000.00</u>
4099-000 Other Receipts					
4099-000 Other Receipts					
12/16/19	Deposit: 100020-1	3910019625	Eco Diversified Holdings		\$18,578.70
			Utilities for November 2019, Pod 8 of Parcel E pods, Moses Lake facility		
					<u>\$18,578.70</u>
Total Income					\$280,160.10

Expenses

6003-000 Admin. Rent					
6003-000 Admin. Rent					
12/02/19	Disb. Adj.: 84	3910019625	MLDC I, LLC		\$58,513.86
			Remaining balance due for rent and utilities for November 2019 (Moses Lake facility)		
12/09/19	Disb. Adj.: 87	3910019625	MLDC I, LLC		\$46,777.14
			100% of Moses Lake revenue (through 12-5-19)		
12/13/19	Disb. Adj.: 89	3910019625	MLDC I, LLC		\$36,629.92
			77% of Moses Lake revenue (through 12-12-19)		
12/17/19	Check: 336	3910019625	TNT Business Complexes, LLC		\$11,600.00
			Lease payment for January 2020 (TNT facility)		
12/20/19	Disb. Adj.: 91	3910019625	MLDC I, LLC		\$34,723.80
			77% of Moses Lake revenue (through 12-19-19)		
12/26/19	Disb. Adj.: 92	3910019625	MLDC I, LLC		\$36,724.59
			Remaining balance due for utilities		
12/31/19	Disb. Adj.: 95	3910019625	MLDC I, LLC		\$25,000.00
			Partial payment of December 2019 rent		
					<u>\$249,969.31</u>
6004-000 Costs to Secure/Maintain Property					
6004-000 Costs to Secure/Maintain Property					
12/02/19	Check: 311	3910019625	Insta Stor Inc.		\$134.88
			Invoice #3245 (storage container rental through December 2019)		
12/02/19	Disb. Adj.: 85	3910019625	Randy Michelson		\$25,000.00

GIGA WATT INC. (18-03197-FPC11)**Operating Statement**

Period: 12/01/19 - 12/31/19

Loan payment per Super-Priority Unsecured Credit
Agreement (TNT)

\$25,134.88

6006-002 Taxes - State

6006-002 Taxes - State

12/27/19	Disb. Adj.: 94	3910019625	Washington State Department of Revenue 604-067-749, Giga Watt, Inc., B&O taxes due for November 2019	\$4,482.50
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\$4,482.50

6007-000 Professional Fees & Expenses

6007-000 Professional Fees & Expenses

12/13/19	Check: 327	3910019625	Stretto Invoice #3223	\$1,208.00
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\$1,208.00

6007-013 Consultant for Trustee Fees

12/02/19	Void: 312	3910019625	Allen Oh Invoices #37 and #38 (Moses Lake, through 11/28/19)	\$0.00
12/02/19	Check: 313	3910019625	David Knowles Invoice dated 12/1/19 (TNT, through 11/30/19)	\$2,156.00
12/02/19	Check: 315	3910019625	Lauren Mieke Invoice dated 12/1/19 (TNT, through 12/1/19)	\$5,700.00
12/02/19	Check: 316	3910019625	Skyler Simpson Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	\$1,862.50
12/02/19	Check: 317	3910019625	Austin Harrison Invoice dated 12/1/19 (Moses Lake, through 11/29/19)	\$2,400.00
12/02/19	Void: 318	3910019625	Porfirio Jaimes Invoice dated 12/1/19 (Moses Lake, through 11/30/19)	\$0.00
12/02/19	Check: 320	3910019625	Cuttin Rugs LLC Invoices #37 and #38 (Moses Lake, through 11/28/19)	\$4,828.92
12/02/19	Check: 322	3910019625	Porfirio Jaimes Invoice dated 12/1/19 (Moses Lake, through 11/30/19)	\$1,147.00
12/02/19	Check: 323	3910019625	Porfirio Jaimes Invoice dated 12/1/19 (TNT, through 11/30/19)	\$323.75
12/16/19	Check: 328	3910019625	Cuttin Rugs LLC Invoices #39 and #40 (Moses Lake, through 12/13/19)	\$6,600.00
12/16/19	Check: 329	3910019625	Skyler Simpson Invoice dated 12-15-19 (Moses Lake, through 12-6-19)	\$1,050.00
12/16/19	Check: 330	3910019625	Austin Harrison Invoice dated 12-15-19 (Moses Lake, through 12-13-19)	\$2,400.00
12/16/19	Check: 331	3910019625	Porfirio Jaimes Invoice dated 12-15-19 (Moses Lake,	\$1,480.00

GIGA WATT INC. (18-03197-FPC11)

Operating Statement

Period: 12/01/19 - 12/31/19

12/16/19	Check: 332	3910019625	through 12-15-19) David Knowles	\$2,044.00
12/16/19	Check: 333	3910019625	Invoice dated 12-15-19 (TNT, through 12-12-19) Lauren Miehe	\$5,925.00
12/30/19	Check: 337	3910019625	Invoice dated 12-15-19 (TNT, through 12-13-19) Cuttin Rugs LLC	\$6,000.00
12/30/19	Check: 338	3910019625	Invoices No. 41 and 42 ((through 12-29-19) Lauren Miehe	\$4,875.00
12/30/19	Check: 340	3910019625	Invoice dated 12-29-19 (through 12-28-19) (TNT) David Knowles	\$2,240.00
12/30/19	Check: 341	3910019625	Invoice dated 12-29-19 (through 12-28-19) (TNT) Austin Harrison	\$2,160.00
12/30/19	Check: 342	3910019625	Invoice dated 12-29-19 (through 12-27-19) Skyler Simpson	\$2,025.00
12/30/19	Check: 343	3910019625	Invoice dated 12-29-19 (through 12-28-19) Porfirio Jaimes	\$1,498.50
			Invoice dated 12-29-19 (through 12-27-19)	
				<u>\$56,715.67</u>
6007-014	Consultant for Trustee Expenses			
12/02/19	Check: 314	3910019625	David Knowles	\$108.33
12/02/19	Void: 319	3910019625	Reimbursement of costs advanced (TNT, Invoice dated 12/1/19) Porfirio Jaimes	\$0.00
12/02/19	Check: 324	3910019625	Reimbursement for cost advance (Moses Lake, Invoice dated 12/1/19) Porfirio Jaimes	\$149.04
12/16/19	Check: 334	3910019625	Reimbursement for cost advanced (TNT, Invoice dated 12/1/19) Lauren Miehe	\$171.17
12/30/19	Check: 339	3910019625	Invoice dated 12-15-19 (TNT, reimbursement for costs) Lauren Miehe	\$112.47
			Reimbursement for costs (locksmith services at TNT)	
				<u>\$541.01</u>
				<u>\$58,464.68</u>
6010-000	Other Expenses			
6010-000	Other Expenses			
12/02/19	Check: 321	3910019625	Douglas County PUD	\$42,035.00
12/04/19	Check: 325	3910019625	Account No. 735917, utilities for TNT facility	
12/05/19	Check: 326	3910019625	Waste Management of Wenatchee	\$124.28
12/16/19	Check: 335	3910019625	Customer ID #19-19019-33003, Invoice #1842923-2674-3	
			LocalTel	\$110.85
			Acct. #61297, Statement dated 11/30/19 (TNT facility)	
			TNT Business Complexes, LLC	\$190.68

Operating Statement

Period: 12/01/19 - 12/31/19

	Reimbursement for After Hours Plumbing & Heating (Invoice #62100)	
		<u>\$42,460.81</u>
Total Expenses		\$380,512.18
Net Income		<u>\$-100,352.08</u>

Mr. Mark D. Waldron
6711 Regents Blvd West
Tacoma WA 98466

RECEIVED

JAN 07 2020

Law Offices of
Mark D. Waldron, PLLC

Case Number

Case Name

Trustee Number

Trustee Name

Period Covered:
November 30, 2019 - December 31, 2019
Page 1 of 12

18-03197-FPC11

GIGA WATT INC
DEBTOR

670070

Mr. Mark D. Waldron
TRUSTEE

Questions:
800.634.7734

banking.services@stretto.com
www.stretto.com

Consolidated Balance Summary

Account	Number	Ending Balance Prior Period	Ending Balance This Period
Checking Account			
TRUSTEE CHECKING	9625	\$201,771.01	\$136,875.27
Total		\$201,771.01	\$136,875.27

TRUSTEE CHECKING

Account Number: 3910019625

Enclosures	30	Beginning Balance	\$201,771.01
		+Total Additions	\$280,160.10
		-Total Subtractions	\$345,055.84
		Ending Balance	\$136,875.27

* Indicates a Skip in Check Number(s)
"E" Indicate an Electronic Check

Checks

Check #	Date	Amount
293	12-06	\$124.28
294	12-04	\$3,130.85
296*	12-04	\$6,000.00
301*	12-03	\$2,400.00
303*	12-02	\$1,517.00
304	12-02	\$70.00
305	12-31	\$937.50
306	12-31	\$875.00
310*	12-12	\$11,600.00
311	12-09	\$134.88
313*	12-09	\$2,156.00
314	12-09	\$108.33
315	12-09	\$5,700.00
316	12-17	\$1,862.50
317	12-11	\$2,400.00
320*	12-10	\$4,828.92
321	12-09	\$42,035.00
322	12-16	\$1,147.00
323	12-16	\$323.75
324	12-16	\$149.04
325	12-16	\$124.28
326	12-11	\$110.85
327	12-26	\$1,208.00
329*	12-23	\$1,050.00
330	12-26	\$2,400.00
331	12-24	\$1,480.00
332	12-23	\$2,044.00
333	12-23	\$5,925.00
334	12-23	\$171.17
335	12-31	\$190.68

Debits

Date	Description	Subtractions
12-02	WIRE TO MLDC 1 LLC	\$58,513.86
12-02	WIRE TO RANDY MICHELSON	\$25,000.00
12-09	WIRE TO MLDC 1 LLC	\$46,777.14
12-13	WIRE TO MLDC 1 LLC	\$36,629.92
12-20	WIRE TO MLDC 1 LLC	\$34,723.80
12-26	WIRE TO MLDC 1 LLC	\$36,724.59
12-27	WA DEPT REVENUE TAX PYMT 191226 CCD	\$4,482.50

Credits

Date	Description	Additions
12-04	REMOTE DEPOSIT REF#0100019	\$9,000.00
12-05	WIRE FROM COINME INC	\$64,180.62
12-12	WIRE FROM COINME INC	\$65,165.42
12-17	REMOTE DEPOSIT REF#0100020	\$18,578.70
12-19	WIRE FROM COINME INC	\$62,028.29
12-26	WIRE FROM COINME INC	\$61,207.07



Daily Balances

Date	Amount	Date	Amount	Date	Amount
12-02	\$116,670.15	12-03	\$114,270.15	12-04	\$114,139.30
12-05	\$178,319.92	12-06	\$178,195.64	12-09	\$81,284.29
12-10	\$76,455.37	12-11	\$73,944.52	12-12	\$127,509.94
12-13	\$90,880.02	12-16	\$89,135.95	12-17	\$105,852.15
12-19	\$167,880.44	12-20	\$133,156.64	12-23	\$123,966.47
12-24	\$122,486.47	12-26	\$143,360.95	12-27	\$138,878.45
12-31	\$136,875.27				

Executive Summary: For the calendar month of December 2019, the Moses Lake Data Center (MLDC) generated gross revenues of \$206,919 which represented a 12.3% decrease in revenue from November 2019 of \$235,89.

TNT generated \$78,106, a 9.6% decrease in revenue from November's \$86,416 in revenue.

The total gross revenue generated combined for both sites for October was \$285,025.0, down 11.6% from November's number of \$322,305.

The reduction in revenue month on month is largely due to the expected increasing difficulty in mining Bitcoin, coupled with the reduction in sales prices, and the unwelcome return of difficulty increases in Litecoin as well as the continuing drop in Litecoin prices.

S9 Machine Mining (primarily Bitcoin): Revenues for S9s decreased primarily due to a drop in Bitcoin prices in December. In November, the average daily sell price for a Bitcoin was \$8331/BTC. December's average daily sales price plummeted to \$7195/BTC. While we enjoyed a 14-day period where difficulty decreased, it once again started to rise again on December 20th.



Bitcoin Difficulty Chart

Bitcoin Difficulty: 13.80 T (13,798,783,827,516.40)



L3+ Machine Mining (primarily Litecoin): Revenues from these machines decreased from November due primarily to the significant price drop in Litecoin. In December, the average daily sales price of a Litecoin was \$136.35/LTC, down from November's daily sales price of \$172.28/LTC. While LTC difficulty continue to drop through December 19 as projected, we experienced three unexpected increases in difficulty at the same time as price was dropping starting December 20th. We may have experienced

the “bottom” of Litecoin mining difficulty and now be susceptible to the same issue we have been experiencing with Bitcoin where new technology is being deployed, driving up difficulty while price is dropping.

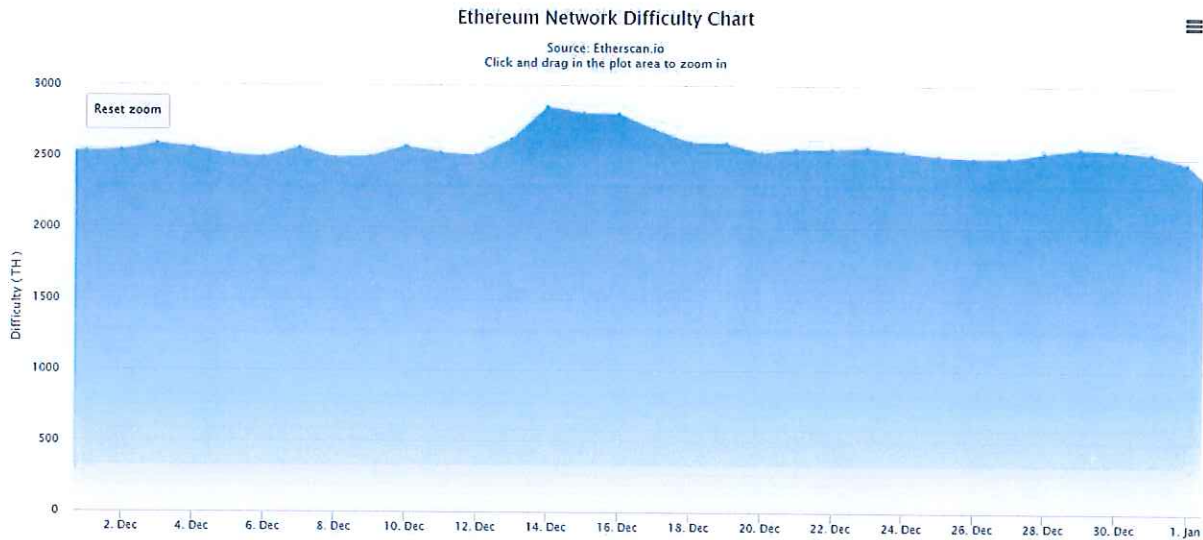
Litecoin Difficulty Chart

Litecoin Difficulty: 5.64 M (5,640,373.11)



GPU Mining (primarily Ethereum):

Revenue for Ethereum mining dropped in December almost exclusively due to price. In December, the average sales price per Ethereum (ETH) was \$136.44. That same coin in November had an average sales price \$171.88. Difficulty dropped slightly month on month, but we did experience about a six-day period where difficulty increased then dropped back to normal as reflected in the chart below.



In summary, prices continue to fall for all currencies from the highs in July and we have no reliable market indicators that prices for BTC, LTC or ETH will increase significantly in 2020. Assuming the case that market prices are stable, we can assume that mining rewards from the S9 machines (BTC) will continue to decrease due to increasing difficulty and new technology being deployed by competitors. We still have good margins on a per machine basis so it's profitable to continue operating these S9 machines if we look solely at the net margin after the cost of power. Reversing the trend of increasing revenues from mining LTC, we should expect the L3+ machines (mining Litecoin) will now begin to decrease from increasing difficulty. Finally, our GPU mining machines (mining Ethereum), which is currently the most profitable technology to mine on a per kilowatt hour, will remain our best technology equipment going into 2020 as long as difficulty continue to grow at the sub 1% level or stays at a flat rate.